

## **STATEMENT OF PURPOSE**

### **RS24650**

This legislation is the recommendation of the Urban Renewal Interim Committee created by HCR17 adopted in 2015. The purpose of this legislation is to provide transparency, accountability and modernization for the urban renewal process while maintaining a vital economic development tool for local governments in Idaho. The legislation first amends Section 50-2006, Idaho Code, and allows governing boards of urban renewal agencies to be elected if the local governing body adopts an ordinance to do so. Members of the local governing body must be less than a majority of the commissioners. Also, commissioners must be a resident of the county where the urban renewal agency is located or doing business.

Section 50-2033, Idaho Code, is amended to provide that a revenue allocation area may only be amended to extend its boundaries and may be subject to statutory limitations. These limitations are contained in section 50-2903A, Idaho Code, which will be newly enacted. That section provides on and after July 1, 2016, when an urban renewal plan is modified, the base value for the year immediately following the year in which modification occurred shall include the current year's equalized assessed value of the taxable property in a revenue allocation area with some ministerial exceptions. This provision does provide for repayment of indebtedness in the event of a reset of the base.

A new Section 50-2905A, Idaho Code, is added to provide for an election when a project financed by economic development funds will not be subject to property taxation. Public parking structures, or publicly owned infrastructure that includes streets, sewer or water connections, sidewalks, gutters, utilities or fiber-optic cable shall not be subject to a vote. The voting threshold shall be 60% of the voters voting.

A new Section 50-2913, Idaho Code, is added to provide a repository at the State Tax Commission for Urban Renewal Plans or modifications to those plans. There is not a centralized repository currently and the State Tax Commission is a logical place as it houses all maps of urban renewal agencies and revenue allocation areas. Finally, Section 63-301A, Idaho Code, is amended to include modified plans and deannexed property to the properties not included in the new construction roll.

### **FISCAL NOTE**

No impact to the General Fund. There may be impact to local counties if they choose to hold elections on a non-standard election date.

#### **Contact:**

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